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United States Department of Agriculture
Production and Marketing Administration
Field Service Branch, Northeast Region
Washington 25, D. C.

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U. S. DEPARTMENT OF AGRICULTURE
AGRICULTURE IN ACTION

December 4, 1946

Reserve
Dear Committeemen:

The information included in this letter is to assist you in the administration of Production and Marketing Administration programs and provide understanding of related actions.

A. W. Manchester
A. W. Manchester
Director, Northeast Region

REVIEW OF GOVERNMENT
PRICE SUPPORTS CALLED FOR

Prompt and thorough consideration should be given to the whole question of Governmental price-support policy, to accomplish the underlying objectives of the legislation, says Secretary of Agriculture Clinton P. Anderson. In a letter addressed to Congressional committee leaders, the Secretary expressed the hope that a joint conference with the Senate and House agricultural committees can be arranged at an early date to consider the problem.

The message grew out of recent experience of the Department of Agriculture in supporting prices of potatoes, the first of the major postwar "surplus" crops, and the likelihood that the same problems may arise for other commodities in the not-far-distant future.

The legislation which directs Governmental price supports for potatoes and other so-called "Steagall" commodities, of which substantial increases were sought during the war, provides that the prices be supported at not less than 90 percent of parity for two years after the January 1 following the declaration that war has ended. This provision was intended to give farmers protection during the transition from war to peacetime operations.

As a result of this commitment, the Department of Agriculture has had real trouble during the past several years supporting prices for huge potato crops. About 40 million bushels of the 476 million produced in 1946 have had to be purchased or otherwise removed from regular trade channels. About 55 million bushels are under temporary or permanent loan, still to be removed from ordinary trade channels. This has cost the Government about \$100 million, of which around \$20 million will be recovered. Yet, despite these extensive efforts, it is probable that no practical outlet or use can be found for as many as 20 million bushels of potatoes, which therefore are likely to be a total waste.

In an effort to avoid a repetition of these excessive costs and waste, the Department has announced that only those farmers who keep within allotted potato acreage goals will be eligible for price support under the 1947 price support program. This proposal has resulted in a great deal of discussion among farm leaders.

In calling the whole question to the attention of Congress, the Secretary stated that, while the price-support provision is sound, in protecting farmers during the reconversion period, under certain conditions and for certain commodities, the support can serve to prevent the development of production patterns in line with peacetime needs. Leaders in the poultry industry have already expressed serious concern over the possible effect of existing price support legislation on orderly transitions within their industry.

SOME ACP ACCOMPLISHMENTS During most of 1945, farmers were still greatly handicapped by a lack of labor supplies, and machinery. But here are some significant facts about the 1945 Agricultural Conservation Program that indicate significant accomplishments:

- The almost 3 million farms for which applications were filed included about 316 million acres of cropland, more than 68 percent of the U.S. total.
- Farmers constructed more than 279 million linear feet of terraces.
- Green-manure and cover-crop practices covered nearly 19 million acres.
- Nearly 95 million cubic yards of earth were moved in constructing dams and reservoirs.
- More than 2,400,000 tons of 20 percent superphosphate equivalents in phosphate materials were applied.
- Over 17 million acres were devoted to contour-farming of intertilled and drilled crops.
- Summer fallowing was protected against erosion on more than 14 million acres.

POTATO LOANS Northeast State reports on potato loans completed through November 23 show a total of 715 regular loans and 958 special loans on potatoes in temporary storage. Reports continue to indicate record participation in the loan program this year. State reports follow:

REGULAR LOAN PROGRAM						
State	No. of Loans	Cwt. of U.S. No. 1's Orig. Loaned	Cwt. of U.S. No. 1, B's & 2's Orig. Loaned	Prelim. Service Fees	Lending Agency Fees	Amount Originally Loaned
Me.	421	2,706,048.4	180,023.7	\$137,186.73	\$40,753.49	\$2,922,688.91
N.H.	23	67,406.7	7,278.5	499.95	718.24	89,597.97
Vt.	No report -					
Mass.	8	91,991.0	9,057.0	515.95	1,547.85	123,663.95
R. I.	10	83,769.0	6,966.0	1,065.69	1,302.25	112,408.70
Conn.	No report -					
N. Y.	202	626,666.0	60,124.1	9,067.44	5,605.05	794,334.86
N. J.	9	13,888.0	584.0	78.56	185.29	18,346.40
Penna.	51	141,221.8	16,658.1	2,005.95	823.28	176,961.78
Total	715	3,730,990.9	280,691.4	\$156,420.26	\$50,935.45	\$4,238,915.84

SPECIAL LOAN PROGRAM						
Me.	651	1,551,716.5	105,455.4	\$29,182.34	\$20,618.48	\$1,092,666.79
N.H.	24	28,149.2	3,408.4	640.47		
Vt.	No report -					
Mass.	61	107,296.0	12,546.0	2,410.50		94,965.40
R. I.	2	5,902.0	297.0	36.79	93.79	7,216.70
Conn.	86	40,799.9	3,349.3	882.98		35,684.70
N.Y.	129	177,873.4	23,476.5	3,477.76	1,691.43	148,118.16
N.J.	No report -					
Penna.	5	4,149.6	159.2	242.50		3,367.44
Total	958	1,915,886.6	148,691.8	\$36,873.34	\$22,403.70	\$1,382,019.19

NO DAIRY PRODUCTION
PAYMENTS FOR JULY

Production payments to producers for milk and butterfat delivered during the period July 1 to July 25 would not be in the public interest, Stabilization Director John H. Steelman has informed the Secretary of Agriculture.

The Secretary had suggested that the Government make dairy production payments to producers who did not advance their prices during the period when price ceilings were suspended pending OPA legislation, as a means of offsetting any possible loss. Estimates were that such payments would not exceed \$35 million.

Mr. Steelman expressed the opinion that statements made to milk producers by the Government were based on a promise to maintain 1946 returns at the same levels as 1945, and that the price increases which have since taken place on dairy products will boost returns for the whole year even higher than in 1945.

PMA TO ASSIST IN MEETING
LOCAL FOOD SHORTAGES

Anticipating that prolonged or large curtailment in coal production may result in serious interruption of the distribution of the nation's food supplies and the appearance of local food shortages, the Field Service Branch has issued a memorandum suggested that State PMA offices be prepared, should such conditions develop, to assist local communities in whatever way is possible to conserve for most essential needs and to distribute equitably such food supplies as may be available.

The memorandum states that needs of hospitals and other vulnerable groups should be given first consideration in case of an emergency and that the Food Distribution Advisory Committees can assist materially in meeting such problems as may arise.

MARKETING RESEARCH
REAL FARM NEED

The prospect of declining demands for farm products indicates a need for examining the means of broadening market outlets, including developments which would increase demand or raise farmers' cash receipts from sales of their products.

According to the Department of Agriculture, an increase in the cash farmers receive from sales of a fixed quantity of products can be obtained only through:

1. An increase in the amount of money income consumers have to spend;
2. An increase in the proportion of consumers' income spent for farm products (this percentage has been quite stable for a number of years); and
3. A decline in marketing charges (these too have remained relatively stable -- savings in costs have been made, but partially offset by new and extended services).

Retailing costs accounted for almost a fourth of the consumer's dollar spent for all farm food products in 1939, processing more than a fifth, and country assembly less than 4 cents. Salaries and wages made up about half of the marketing costs.

WORLD WOOL
STOCKS LARGE

Large carry-over stocks of wool will probably remain a problem for some time, although the recovering of wool consumption in many countries has been encouragingly rapid. World stocks of wool were estimated last June 30 at 5 billion pounds, three times as much as before the war. Of this amount, 2.6 billion pounds are owned by governmental organizations -- 81 percent by the United Kingdom and the balance by the Commodity Credit Corporation in the United States.

INSURANCE MAGAZINE
REVIEWS CROP INSURANCE

In an article in the recent issue of The Spectator, an insurance magazine, Phillip A. McDonnell, an associate editor of the publication, reviews the

Federal Crop Insurance Program and compares it with programs in foreign countries and private ventures in this country.

McDonnell points out that while big industries, their wares, their workers, and their buildings have been insured for the past several decades, the vast lands and valuable crops of the American farmer were financially unprotected. And yet, farming is the largest single industry, and the instability of its income can readily affect the national economy.

Stating that insuring farm operations against destructive forces of nature is not a new idea, McDonnell explained that several large companies from 1917 to 1923 lost over \$14 million in an attempt to insure crops under an all-risk plan. The most recent attempt in 1931-32 in Kansas was on wheat crops and resulted in large losses to the private company.

Quoting a study by the Food Research Institute of Stanford University, the article pointed out that private ventures encountered these principal difficulties:

- Lack of adequate actuarial data,
- Adverse selection in both individual risks and late-season insurance sales,
- Insurance of dollar value as well as yield,
- Inadequate geographic diversification,
- Inadequate capital,
- Unwillingness to continue after initial losses.

Some foreign countries in 1942 report single-risk coverage on growing crops, McDonnell said. Russia had a pre-war insurance program that embraced buildings, equipment, livestock, and most crops and the crop protection was against selected hazards. Several Swiss cantons have compulsory tax funds that indemnify farm losses on virtually an all-risk basis. Prior to the war both Japan and Greece sponsored mutual crop insurance associations.

McDonnell explained the organization of the U. S. Federal Crop Insurance Corporation and traced its beginnings from a Presidential Committee report in 1936. He said the essential difference between private and Government methods was that private companies insured on a dollar basis, while, under the FCIC program, commodity units are used.

"In general, the insurance world has awakened to the remarkable work being done in Washington," McDonnell said. It has been expensive and extensive, he said, but with each year have come new methods of cutting down losses. "The six years of actual operation have resulted in many practical approaches to a phase of national security that will in time show its effect on the personal prosperity of each citizen," he added. "Our nation is in urgent need of a stable farm economy and the work of the government in this behalf is commendable."

* * *

The Department of Agriculture announced that the December 1 list of agricultural commodities certified in short supply is identical with that certified to the Price Administrator on November 1.

837 WHEAT INSURANCE CONTRACTS IN NEW JERSEY

The recent wheat insurance selling campaign in New Jersey brought the total number of wheat insurance contracts to 837 in force, adding 238 new contracts

this year. The individual county reports follow:

County	Farms Listed	1946-47-48 Contracts	1947-48-49 Contracts	Total Contracts	Approx. Farms Covered	% Farms Covered to Farms Listed
Burlington	384	144	14	158	156	41%
Hunterdon	1049	120	57	177	177	17
Mercer	451	0	67	67	67	15
Middlesex	374	102	3	105	156	42
Monmouth	534	152	15	167	190	36
Somerset	600	81	12	93	91	15
Warren	447	0	70	70	70	16
Total	3839	599	238	837	907	24

County	Percent of Producers Contacted	Appl. Secured by County Committeemen	Appl. Secured by Community Committeemen	Appl. Secured by other Agents	Appl. Secured by County Office
Burlington	79	0	0	12	2
Hunterdon	0	0	0	0	57
Mercer	50	0	0	67	0
Middlesex	0	0	0	0	3
Monmouth	50	0	5	0	10
Somerset	0	0	0	0	12
Warren	65	15	0	55	0
Total	28.3	15	5	134	84

GRAIN RESTRICTIONS EASED BY USDA

The Department of Agriculture has announced removal or modification of a number of restrictions on the domestic use of grains. The actions affect the production of flour, alcohol, and beer. The present relatively favorable over-all grain situation, as outlined in a report from the Secretary of Agriculture to the President which was released at the White House has made possible the changes in restrictions on use. The following actions were effective 12:01 a.m. December 1, 1946:

War Food Order 144 (wheat and flour) -- This order has been amended to remove all restrictions on the production of flour for domestic distribution and for export to license-free countries.

War Food Order 141 (grain for distilled products) -- This order has been amended to remove restrictions against the distillers' use of grain other than wheat and wheat products, rye, and corn grading Nos. 1, 2 and 3.

War Food Order 66 (malted grains) -- This order has been amended to liberalize restrictions on brewers' use of grain in the manufacture of malt beverages. All grains except wheat and rice of table grade are affected by the change.

WAR FOOD ORDER 139 TERMINATED

The U. S. Department of Agriculture has announced the termination of War Food Order 139, effective November 30. This order provided for the certification of non-federally inspected meat packing plants, making it possible for meat produced by these plants to move in interstate commerce.

POULTRY AND EGG SITUATION The Bureau of Agriculture Economics believes that egg prices have passed their peak. The November issue of the Poultry and Egg Situation reports that by mid-October egg prices were the highest since 1921. Prices received by farmers averaged 51½ cents a dozen.

Following the removal of price controls, egg prices declined. By the first week of November prices on lower-grade eggs had dropped almost 15 percent.

Egg prices have now dropped to about Government support price levels, and BAE forecasts that they will remain near 90 percent of parity through the first half of 1947. This will probably be a little above actual prices received by farmers during the first half of 1946.

Chicken and turkey prices were also at a record high in mid-October. But prices dropped 20 to 25 percent following the removal of price controls on red meat. BAE says that chicken and turkey prices may increase in the next few months, but in 8 to 10 months the price may again decline.

FACTS ON FATS The smallest output of fats and oils since 1939 is the prospect ahead of the United States in the year beginning last October. Production from domestic materials is forecast at 8.7 billion pounds, about equal to the 1937-41 average, but 2.5 billion pounds less than the peak production of 11.2 billion in 1943-44.

Factory and warehouse stocks of fats and oils on October 1 totaled 1,209 million pounds, 441 million less than a year earlier and 697 million below the 1932-41 average.

Civilian consumption of fats per person in 1945-46 was the lowest since the depression year 1933. Next year soap manufacture may be somewhat larger, principally because more coconut oil will be available.

MARKETING QUOTAS PROCLAIMED Marketing quotas on the 1947 crop of fire-cured and dark air-cured tobacco have been proclaimed by the Secretary of Agriculture.

FOR FIRE-CURED, AIR-CURED TOBACCO The 1947 marketing quota for fire-cured tobacco will be the same as in 1946-- 85,700,000 pounds, but the quota for dark air-cured tobacco will be 10 percent less than the 1946 quota -- 21,100,000 pounds.

More than 90 percent of the growers of these types of tobacco, voting in a referendum in 1945, voted in favor of marketing quotas for the 1946, '47, and '48 crops.

Fire-cured and dark air-cured tobacco is grown in Kentucky, Tennessee, Virginia, and Indiana.

* * *

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Radio Transcription
A. W. Manchester; Director
Northeast Region, Field Service Branch
Production & Marketing Adm., USDA
December 5, 1946 - 6:15 a.m.
Station WBZ - Boston, Mass.

For the next few years the most important thing for farmers to watch will be the state of the industrial prosperity of the country.

Farm prosperity depends far more on industrial prosperity than on any other condition.

The reason is obvious. Farm production grows larger as time goes on. It went up very fast during the war. The upward movement of farm production may be retarded, it might even be set back somewhat, by a few years of bad weather. But over the long run it is pretty sure to go on up.

We proved in the 30's that it is possible to do something about adjusting the production of single crops. But we didn't demonstrate that we can do much about adjusting total farm production. Long continued farm disaster probably cuts it down somewhat. Farmers don't buy as much fertilizer, for instance, when incomes are low and yields go down as a consequence. But planned downward adjustment of all crops seems a remote possibility.

On the other hand, when there is a big drop in industrial activity, the quantity of farm products that the farmers' customers can buy at fair prices goes down drastically.

Consumers then have much less money to pay for farm products. There are about as many farm products for them to buy, so the price goes down until they can buy most of what there is with their greatly reduced available funds. The quantity sold may slip a little but the price goes out through the bottom.

Some of the worst consequences of such a slump may be avoided by various price support measures.

The same price supports that avert the worst consequences from farming may help keep the industrial slump from going to the absolute bottom. They preserve some farm market for the products of industry.

But none of these measures is more than insurance against the worst that would otherwise happen.

Farming cannot help sharing depression. Without price support industrial depressions are ruinous to agriculture.

The people who have been buying farms as a refuge against depression may have been wise if they are taking with them to these farms enough to live on, but they haven't bought much of a means of making a living when hard times come.

The only real protection for agriculture is to keep industrial depression from coming.

(continued next page)

I'm not going to try to look ahead and predict when the next depression is due. I don't have any inside information on that. But even if I could predict and you would believe my forecast, the information wouldn't be of much use.

To be sure, the wise ones might take to cover -- sort of go underground, hoping that the depression would eventually wear out. But, who wants to pass five or ten years underground?

And a mass movement to shelter might even precipitate the depression.

The thing to do is not to get ready to have a depression -- it is to get ready not to have one.

For depressions are not necessary any more. They are not mysterious things -- sort of "acts of God" -- created by blind forces of nature beyond the control of men. They are created because men are blind or vicious -- mostly the first.

Men know enough now to prevent depressions. That is, some men do.

The danger is that those who don't know, or who think that they can profit by doing the things that create a depression, will make so much noise that they will confuse a great mass of us ordinary people so that we will stumble our way into a depression instead of following the paths of safety that are now pretty well mapped out.

I am not implying that a depression is right around the corner. The danger of a major breakdown should be a good ways ahead.

But farm people -- other people, too, for that matter -- ought to be watching closely to see that we are not building up for the collapse. If we watch we can tell whether we are slowly moving into a situation that grows more and more dangerous as time goes on.

For instance, under modern conditions, the greatest single danger is that the market for products won't grow as fast as production grows. It may be kept from growing fast enough by prices that are too high or by earnings that are too low.

When these conditions prevail, goods pile up unsold, production slows down, people are thrown out of work and prices tumble because there are more goods than customers have money or credit enough to buy at the old prices. As people are thrown out of work and farmers' prices and incomes tumble, the market shrinks again and the downward spiral is really moving.

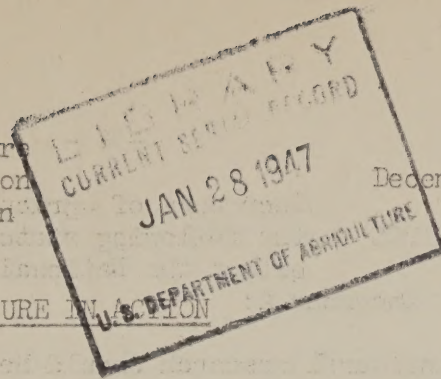
So, it is important, for instance, to watch the developments that tell whether consumers' ability to buy is keeping pace with rising production. There are already some indicators that are a little disturbing. We are far from the peak of production that we hope to attain. Yet, already there are reports that inventories are rising, although consumers' savings are going down and debts going up. In other words, we consumers are already buying faster at present prices than we are earning. How can we hope to buy greater output at higher prices?

Of course, we can do it for a time by constantly expanding credit. But that way lies danger.

Continuous prosperity needs as one of its cornerstones a sound balance between prices, wages, and profits. That's one of the objectives we farm people shall have to put ourselves solidly behind if we are going to throw our weight on the side of stable continuous well-being for ourselves and our country.

Ad 4 Agr
Reserve

United States Department of Agriculture
Production and Marketing Administration
Field Service Branch, Northeast Region
Washington 25, D. C.



December 11, 1946

AGRICULTURE IN U.S. REGION

Dear Committeemen:

The information included in this letter is to assist you in the administration of Production and Marketing Administration programs and provide understanding of related actions.

A. W. Manchester
A. W. Manchester
Director, Northeast Region

VETERANS' PREFERENCE ORDER
FOR FARM MACHINERY TO BE
TERMINATED FEBRUARY 8, 1947

War Food Order 135, which has given preference to World War II veterans in the purchase of farm machinery, will be terminated on February 8, 1947, and no new preference certificates will be issued

after December 9, 1946, the U. S. Department of Agriculture announced December 6.

Veterans who now hold preference certificates and can show need for farm equipment may request that their priorities be extended to the termination date.

War Food Order 135, which became effective June 25, 1945, provided for the issuance of preference certificates by County Agricultural Conservation Committees to veterans who could show need for new farm machinery to establish or reestablish themselves in farming. Dealers were required to give priority to the holders of these certificates.

The Department stated that the revocation of this order was in line with the Government's policy of removing controls when they have served the purpose for which they were instituted. Farm machinery production has been at a high level, and it is expected that farm machinery dealers soon will be able to fill the needs of veterans and non-veteran customers alike. Moreover, it was pointed out that enforcement of the order has become increasingly impracticable now that farm machinery has been decontrolled.

DECISION ON MARKETING
RESEARCH SET-UP POSTPONED

No final decision will be made at this time regarding a separate marketing administration to carry out provisions of the new Research and Marketing Act,

Secretary of Agriculture Anderson has announced. His position has been unanimously approved by the National Advisory Committee set up to work with the Department in implementing the provisions of the legislation.

The delay in making the decision is to permit a conference -- probably early in January -- between Congressional leaders, representatives of the farm organizations, and the Department, to decide the pattern under which the research activities will be carried out. A Production and Marketing Administration now exists in the Department, but the report of the House Committee on Agriculture strongly recommended the establishment of a separate Marketing Administration to carry out the new legislation. Secretary Anderson said, "I want clarification from Congressional leaders and the heads of farm organizations on their current thinking as to whether or not the Department should take steps to separate certain marketing functions and personnel from the present production and marketing administrative machinery. I intend, therefore, to hold the whole matter until a conference can be held, probably early in January, to discuss the entire situation."

ANDERSON OUTLINES
AGRICULTURE OBJECTIVES

Secretary of Agriculture Clinton P. Anderson made the following statements in relation to research before the National Advisory Committee on Research and Marketing Act, December 4:

"All proposed agricultural research should be tested against a common touchstone to find out how the Nation can get the most value from the money spent. And the best touchstone is a set of long-range objectives for agriculture. . .

"It seems to me these general objectives -- adequate supplies for consumers and adequate returns for farmers -- can be spelled out more fully under six headings:

1. Adequate and efficient farm and forest production. United States farmers should produce the kinds and quantities of food necessary to provide every person in this country with a nutritionally adequate diet and meet the additional demands of taste and preference. They should produce enough, in addition, to meet economic export demands.
2. Conservation of farm, range and forest land. Agricultural lands should be put to their most efficient use on a long-range basis. Only a national emergency such as the war can justify temporary exploitation of the land at the expense of long-term productivity. . .
3. Efficient distribution of farm products. Nearly one-half of every dollar that consumers are now spending for food and about 9/10 of every dollar spent for cotton and tobacco products goes to the people who store it, process it, sell it and move it to market. The farmer who is the initial producer will benefit along with the consumer from more efficient transportation and marketing of farm products, the development of new uses, or the widening by one means or another of an already existing market. . .
4. Parity of prices and income for farmers. Farm families generally should receive prices or returns that will yield them enough income from farming to maintain a level of living equivalent to that of persons in other occupations with comparable skill, effort and investment. This does not mean that the Nation should support in agriculture everyone who may choose to live on a farm. . .
5. Parity of services and facilities for rural people. Parity prices and parity incomes are not ends in themselves so much as means to the greater objectives of a parity of living conditions between rural and urban people. Fair prices and incomes will help farm people to achieve a parity of schools, roads, housing, rural electrification, health services, and recreational and cultural facilities. But full parity in many of these fields depends upon more than prices and incomes, especially in view of the fact that so many farm families are on farms which are economically too small.
6. Good tenure conditions, with special emphasis on the family farm. For everyone engaged in agriculture, whether he be owner, tenant, or laborer, the relationship to the land and to his fellow citizens should be such as to provide opportunity and stimulus for development and advancement. . . "

E. A. MEYER NAMED FOR
RESEARCH AND MARKETING WORK

Secretary of Agriculture Clinton P. Anderson announced December 5 that the National Advisory Committee for the Research and Marketing Act of 1946 has concurred in the designation of W. A. Meyer, present Assistant Administrator of FMA, to be in charge of developing plans for and programs to be carried on under the Act and for coordinating this work with existing work of the Department.

The Research and Marketing Act was passed just before adjournment of the last Congress and funds for carrying it out have not been made available. The Act authorizes funds in amounts increasing from \$9,500,000 for the current fiscal year to \$61,000,000 in 1951.

In a statement that was approved by the Advisory Committee, Secretary Anderson said that he intends to proceed in the interim between now and the next meeting of the Advisory Committee in the following fashion:

"It shall be Mr. Meyer's function to contact all the agencies -- Federal, State, and private -- that are involved and to proceed as rapidly as possible with the setting up of commodity, functional, and technical committees contemplated by the Act. No final determination will be reached as to whether a separate marketing and utilization administration need be established until the next meeting of the Advisory Committee, but this will be continually studied; and, in the meantime the Secretary explore the existing procedures within the Department to see if effective administration of the Act can be accomplished within the present administrative set-up of the Department of Agriculture. In doing so, it is to be clearly recognized that the whole import of the legislation is to develop agriculture and marketing through research education and action so as to continuously protect and improve the health and welfare of the American people."

ACP STORY IN
COUNTRY GENTILMAN How farmer-elected ACP committeemen applied their practical knowledge to help solve the water and erosion problems of Gage County, Nebraska, is described in the December issue of "The Country Gentleman."

Through the use of earth-moving practices, assisted and encouraged by the Agricultural Conservation Program, these committeemen are well on their way to controlling the run-off of water with earthen dams, contour planting, and terraces. Not only are they making progress toward the holding and storage of water for the land and livestock of Gage County, but they are also making a valuable contribution toward flood control in the great Mississippi Valley.

Some of the secrets of their success are: (1) Training of committeemen in the art of determining dam sites, terrace and contour lines, and how to use a level; (2) Interesting farmers in the need for water-control practices; (This is a personal contact job.) (3) Locating contractors and making arrangements so their services are available to farmers; (4) Organizing a "threshing-run" route for each contractor.

No doubt there are ACP stories in every State that are as good as this one, but only when they are called to our attention can we give them the publicity to which they are entitled. State and county offices should be on the lookout constantly for outstanding jobs done by county and community committeemen and submit the facts to regional offices so they can be developed and offered to nationally circulated publications. Progress in some other States has been written up in a publication, "Some ACP Dirt-moving Activities." This leaflet has been sent to State offices.

COUNTY COMMITTEES URGED TO SEND IN 1947 LIME ORDERS

County committees should send in immediately to the State or Syracuse office, orders for lime to be furnished under the 1947 Agricultural Conservation Program. It is anticipated that all 1946 orders will be delivered by December 20 and in order to expedite shipment of 1947 material and to keep the lime plants in continuous operation, orders on hand must be forwarded as soon as possible.

County committees are also reminded that under the terms of the 1947 contracts with lime suppliers, no lime except that which is ordered on a spread-on-the-field basis can be delivered after October 31, 1947.

PRICES RECEIVED BY FARMERS DROP; PARITY PRICES CONTINUE TO CLIMB

Sharp declines in prices received by farmers for cotton, corn, and poultry products lowered the general price level of farm products from mid-October to mid-November, reports the Department of Agriculture.

Parity prices for farm products continued their advance to new highs as the result of an increase in the index of prices paid, interest, and taxes. The index on November 15 stood at 212 percent of the 1910-14 average.

The parity ratio -- the relation of prices received for farm products to prices paid (including taxes and interest) -- dropped 2 points during the month, but at 124 is 7 points higher than a year ago.

Here is the picture for major farm commodities, showing parity or comparable prices as of November 15, and the percentage the actual price is of the parity price:

Commodity and Unit		Parity or Comparable Price	Actual Price As A Percentage of Parity or Comparable
Wheat, per bu.	Dol.	1.87	101
Rice, per bu.	"	1.72	124
Corn, per bu.	"	1.36	93
Cotton, per lb.	Ct.	26.29	111
Peanuts, per lb.	"	10.20	93
Flaxseed, per bu.	Dol.	3.58	193
Potatoes, per bu.	"	1.57	78
Beans, dry edible, per bu.	"	7.14	175
Tobacco, type 11-14, per bu.	Ct.	32.1	136
Hogs, per cwt.	Dol.	15.40	148
Beef Cattle, per cwt.	"	11.50	153
Milk, wholesale, per cwt.	"	3.73	136
Chickens, live, per lb.	Ct.	24.2	114
Eggs, per doz.	"	55.6	86
Soybeans, per bu.	Dol.	2.04	151

EXPORT PROGRAM FOR FLOUR

Exportation of 6 million hundredweight of flour during January-March 1947 has been approved for 10 of the countries now under export license, the Department of Agriculture has announced. The quantities to be exported are in addition to any unshipped balances programmed for export through December 31, 1946, and will be bought commercially by the countries through their buying missions in the United States.

POTATO LOAN REPORT

Applications for potato loans under the Government's price support program must be made by December 15 in most States of the Northeast Region. An earlier date for accepting applications was set in some States in order that all loan documents might be completed by December 15 in accordance with program regulations. State reports on regular loans and loans on potatoes in temporary storage are given below, for the period ending Nov. 30:

REGULAR LOAN PROGRAM						
State	Com- pleted Loans	Cwt. of U.S. No. 1's Orig. Loaned	Cwt. of U. S. No. 1, B's & 2's Orig. Loaned	Prelim. Service Fees	Lending Agency Fees	Amount Originally Loaned
Me.	517	3,009,188.4	197,696.7	\$137,157.11	\$40,787.73	\$3,250,847.57
N.H.	23	80,518.7	8,387.5	497.85	870.40	108,117.09
Vt.	31	25,881.0	2,865.0	660.80		35,213.10
Mass.	8	91,991.0	9,057.0	515.95	1,547.85	123,563.95
R.I.	16	121,440.0	12,258.0	1,301.40	1,957.89	164,047.00
Conn.	No report -					
N.Y.	238	785,211.2	80,403.7	11,254.02	7,051.21	1,002,747.04
N.J.	9	13,888.0	584.0	78.56	185.29	18,346.40
Penna.	102	294,382.6	36,749.8	2,822.97	1,379.63	368,343.59
Total	944	4,422,500.9	348,001.7	154,288.66	53,780.00	5,071,325.74

SPECIAL LOAN PROGRAM						
Me.	766	1,768,810.1	113,792.0	\$29,190.34	\$20,618.48	\$1,248,017.97
N.H.	28	28,149.2	3,408.4	640.47		
Mass.	61	107,296.0	12,546.0	2,410.50		94,965.40
R.I.	2	5,902.0	297.0	36.79	93.79	7,216.70
Conn.	116	51,816.9	4,376.8	1,123.87		45,357.40
N.Y.	230	323,942.2	41,460.8	4,113.98	2,757.54	253,309.78
Penna.	20	24,719.4	3,345.6	258.50		20,779.20
Total	1,223	2,510,635.8	184,226.6	37,774.45	23,469.81	1,669,646.45

JULY-NOVEMBER GRAIN EXPORTS TOTAL 3,474,000 LONG TONS

The U.S. Department of Agriculture today estimated that 3,474,000 long tons (134,000,000 bushels) of United States grain and grain products were exported during the 5 months July-November 1943. This total included (in terms of whole grain equivalent) wheat 1,971,000 tons, flour 1,118,000 tons, corn and other grains, 385,000 tons.

In addition, an estimated 53,000 long tons of Canadian flour milled in bond in the United States, was shipped, raising the total shipments of grain and grain products from the U.S. to 3,527,000 tons.

Largest monthly exports of United States grain and grain products during the July-November period were 886,000 long tons in July. Totals for other months were: August 811,000 tons; September 697,000 tons; October 373,000 tons; and November 707,000 tons.

Of the July-November exports of United States grain and grain products, UNRRA countries received 629,000 tons; the United States, United Kingdom and French Occupied Zones in Europe 534,000 tons; the United Kingdom, 430,000 tons; India 426,000 tons; the United States Occupied Zone in Asia 414,000 tons; Netherlands 220,000 tons; other countries the remainder.

GARDENS FOR FOOD, HEALTH
AND GOOD LIVING

At the National Garden Conference December 5-6,
Frank G. Boudreau, M.D., Chairman of the Food
and Nutrition Board, National Research Council,
made the following remarks concerning the value of home gardens to nutrition:

"When nutrition experts study diets, they often count the number of servings a week of certain essential foods. In a report on inadequate diets and nutritional deficiencies in the U.S.A., a Committee of the Food and Nutrition Board, gives the percentages of persons in different parts of this country whose diet contained less than seven servings a week of the following types of essential foods: citrus fruits or tomatoes, dairy products, leafy and green vegetables, other vegetables, meat, and whole grain products. Note that three of these six essential types of food may be produced in the home garden.

"The individuals whose diets were studied comprised women college students in the North Central States and Maine, children in Maine, and aircraft workers in California. Eighty percent of Maine children had less than seven servings of citrus fruit or tomatoes a week, and 93 percent had less than seven servings of leafy and yellow vegetables. Thus their diets were grossly deficient in the very nutrients which could be supplied so readily by home garden products. This was also true, but to a lesser extent, of aircraft workers in California, (about 50 percent) and of women college students (57 percent in North Central States, 19 percent in Maine). In respect of certain other nutrients, the Committee found iron deficiency anemia in from 1.5 percent to 65 percent of children, as high as 68 percent in adult women, and from 9 to 72 percent in pregnancy.

"The Committee also found a high percentage of vitamin C deficiency in children. In Michigan, Philadelphia, and New York City the percentage varied between 32 percent and 49 percent among public school children. In private school children in New York City the percentage was less than three."

(Agriculture in Action -- Issued weekly and distributed in Northeast to State FFA Committeemen, State FFA Offices; Farmer Fieldmen, County Offices in Mass., Conn., Penna., N.J., and N.H.; County Committeemen in N.J., Penna., N.H., and R.I.)

Radio Transcription
A. W. Manchester, Director
Northeast Region, Field Service Branch
Production and Marketing Adm., USDA
December 12, 1946, 6:15 a.m.
Station WBZ - Boston, Mass.

The many questions asked about next year's potato program indicate that the facts are far from being clearly understood. It is important that growers have the facts, as they are already ordering seed and buying fertilizers and committing themselves in many ways to the planting of definite acreages.

Here are the two most important facts:

First, there will be a farm acreage goal set for each potato grower who raises three acres or more. The goals will be established by the County Agricultural Conservation Committees. Some committees have already finished assembling the information on the acreages raised by the growers in recent years that they will need as a starting point for setting farm goals. In other counties, the data are being put together now.

Each county committee has a total acreage goal which is assigned by the State committee. The county committee is under the obligation to divide that goal as fairly as possible between the growers, including beginners, in the county. This is not an easy job, but county committees have done it, apparently in a very satisfactory way, frequently in the past.

Each State committee has a State goal which it is responsible for dividing equitably between counties. The sum of the State goals for the country has been calculated to give acreage enough to assure an adequate supply of potatoes, but at the same time it involves some reduction from 1946 plantings in the effort to avoid a part of the waste and excessive expense involved in this year's unwieldy crop.

The amount of downward adjustment in acreage involved in the State goals varies substantially between States. The biggest cuts are in the States supplying the early and intermediate markets, where production has been excessive for several years. But considerable cuts are being requested from some of the late States, particularly those which have expanded most rapidly recently. State acreage goals were arrived at by a uniform national formula, except for the higher rate in the early sections.

The second fact is that only farmers who plant within their acreage goals will be eligible for price support in 1947.

This is a sharp change from the practice of the last few years, when all growers have been eligible for price support. It represents an effort to eliminate a substantial part of the cost and waste involved in across-the-board price support when production far exceeds demand.

We have had price support for potatoes at 90 percent of parity, or better, for four years. In each of these years the average price received by the growers of the country has been at least 70 cents a bushel higher than it would have been if supply and prices had reacted as they characteristically did without price support. In plain words, it is a fair estimate to say that price support, year after year, has been worth 70 cents a bushel to growers.

Radio Transcription - 2

How much difference there will be between the returns that cooperators will get with price support in 1947 as compared with non-cooperators without price support will, of course, depend on conditions.

If most growers should adjust their acreages and we should have a rather unfavorable year for yields, the non-cooperator might come out all right financially. If, on the other hand, the upward trend in yields -- which has been very evident the last few years -- continues, he will be taking a very real chance of losing part or all of that 70 cents a bushel.

Something may depend also on the methods which are used next year in supporting prices or returns to growers. The representatives of the States in conference in Washington voted practically unanimously in favor of a plan roughly like this:

The Government to stay out of the market and not carry on price supporting loan operations, as it has in the past. Or if it does engage at all in these activities, do so only to a minor degree and at levels very substantially below 90 percent of parity. Then, after the marketing season is over, compute the extent by which the prices received by growers in a given area have fallen short, on the average, of the 90 percent of parity. They pay each cooperating grower this amount per bushel.

It would be up to each grower to market his potatoes as well as he could. He would get any advantage that could be obtained by putting a superior product on the market or by doing a better job of marketing.

Under this plan, too, the consuming public would get the advantage of lower price potatoes.

Whether this will be the plan finally adopted it is impossible to state at this time. Presumably, the final decision will depend on the attitude toward it of other farm leaders and leaders in Congress.

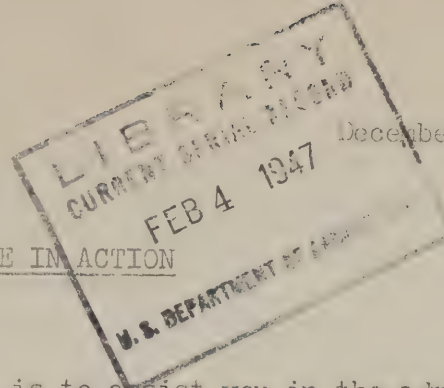
Regardless of the plan adopted, growers can count on two things: They will have individual farm goals assigned to them in the near future. They will have an opportunity to submit to the county committees whatever information has a bearing on the decision.

Second, their eligibility for price support and the insurance that it gives depends on their cooperation in the goal program.

In my opinion, price support can provide a heretofore unknown stability for agriculture. Obviously, however, the price support can be justified and maintained only if it is in the general interest as well as the farmer's. To be in the general interest, it has to be operated in a way that will insure adequate but not burdensome supplies, economic shifts from unneeded production to production that is needed, and efficient and economical operation. The 1947 potato program plans represent an effort to move in these directions.

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United States Department of Agriculture
Production and Marketing Administration
Field Service Branch, Northeast Region
Washington 25, D. C.

AGRICULTURE IN ACTION



December 18, 1946

Dear Committeemen:

The information included in this letter is to assist you in the administration of Production and Marketing Administration programs and provide understanding of related actions.

A. W. Manchester
A. W. Manchester
Director, Northeast Region

1946 TURKEY AND EGG PRICES FIRM For the first 11 months of this year, egg prices have reflected 95 percent of parity despite a decline to 86 percent of the high seasonal parity for November, the Department of Agriculture reveals. The average farm price for November was the highest for that month since 1921.

Turkey prices reflected 136 percent of parity in October and 122 percent in November, when about 60 percent of the 1946 crop was marketed.

Under the Steagall Amendment, the Government is committed to support egg and turkey prices at not less than 90 percent of parity for two years after the January 1 following the official declaration that war has ended.

Thus far this year, the Department of Agriculture has purchased about 95 million pounds of dried whole eggs, equivalent to 9½ million cases of shell eggs, for cash sale to the United Kingdom. Purchases under this program are being continued.

While the purchases have not been intended as a direct price-support measure, their effect has been to help hold average farm prices above 90 percent of parity. Most of the purchases have been made in the Midwest where supplies of shell eggs are normally the heaviest.

**HIGHER MILK CONSUMPTION
CHALLENGES INDUSTRY**

Few people get all the milk they need for adequate health, Secretary of Agriculture Clinton Anderson recently pointed out.

In peacetime, even top-income families -- those with incomes over \$5,000 -- consumed only three-fourths of the milk they needed. Middle-income families, with incomes of \$1,000 to \$3,000, got slightly over one-half their milk requirements. And bottom-income families, earning less than \$500, got only one-fourth of their milk needs.

Under conditions of full employment, there's no telling how much milk U. S. people would consume. The war gave only a partial answer, because there wasn't enough milk to fill the demand.

That partial answer is a rise of 26 percent in per capita fluid milk consumption during World War II. Added interest in nutrition and a national income which increased more quickly than dairy prices contributed to the larger consumption.

FARM INCOME Both national and farm income have soared to record levels since the 1938 business "recession," increasing steadily with each year's income successively higher. Over this span of years, farm product prices increased over 100 percent and farm production increased over 30 percent. The gross effect of higher prices and greater production has been to more than double farm income. In 1946, gross farm income is estimated to be 27.0 billion dollars, 139 percent greater than pre-war gross income and net farm income is estimated at 14.7 billion dollars, 194 percent greater than pre-war net income.

Although the farm income figures in columns 2 and 3 of the table below do give the agricultural income situation in terms of dollars, they do not give as real a picture of the economic status of farmers as does another measure -- farmers' real income. Increases in the dollar and cents income of farmers may not mean very much if the prices of things farmers need to buy for a suitable standard of living have also risen. After all, the important factor isn't how large the income is but rather how much that income will buy. It is, therefore, the purchasing power of the farmer's income or the farmer's real income that gives one of the most realistic indications of the economic welfare of farmers.

Both gross and net farm income reached record levels in 1946 but the purchasing power of net farm income reached its peak in 1943. Since 1943, farmers' real income has declined steadily, with each year's real income successively lower. Since 1943, increases in the farmers' living costs have been greater than the increases in the farmers' net income. The 1946 net income is 14 percent greater than the 1943 net income but the farmers' cost of living is 23 percent greater than 1943 living costs.

In the table shown below U. S. farm income data is presented annually from 1929 to 1946 in billions of dollars. (See page 3 for explanation of column headings).

Year	FARM INCOME 1929 - 1946				
	National Income 1/	Gross Farm Income 2/	Net Farm Income 3/	Farmers' Cost of Living Index 4/	Farmers' Real Income 5/
1929	\$83.3	\$13.8	\$6.0	128	\$4.7
1930	68.9	11.4	4.3	121	3.6
1931	54.5	8.4	2.7	103	2.6
1932	40.0	6.4	1.8	87	2.1
1933	42.5	7.1	2.7	87	3.1
1934	49.5	8.5	3.8	98	3.9
1935	55.7	9.6	4.5	100	4.5
1936	64.9	10.6	5.1	99	5.2
1937	71.5	11.3	5.1	103	5.0
1938	64.2	10.1	4.3	98	4.4
1939	70.8	10.5	4.5	97	4.6
1940	77.6	11.0	4.7	98	4.8
1941	96.9	13.8	6.5	106	6.1
1937-41 (prewar)	76.2	11.3	5.0	100	5.0
1942	122.2	18.5	9.4	124	7.6
1943	149.4	23.0	12.9	137	9.4
1944	160.7	24.0	13.0	144	9.0
1945	161.0	24.7	13.2	149	8.9
1946 *	165.0	27.0	14.7	168 **	8.8

* Preliminary

** Ten-month average - January - October.

FARMERS WARNED ON FARM
REAL ESTATE PRICES

Farm land values will probably decline when farm product prices and production become more nearly adjusted to longer-run domestic and foreign demand, the Department of Agriculture warns farmers.

Prices for farm land are rapidly approaching an all-time high. Land values rose another 14 percent during the last year and now stand within 11 percent of the 1920 inflationary peak. By November 1 land values had reached a point 83 percent above the 1935-39 average and were above 1920 levels over a large part of the country.

Another bad feature of the situation is that more people have gone into debt to purchase farms during each of the last four years than during any other year since 1920.

Stimulating the demand for farms are such things as record high farm income, which increased more rapidly than operating costs, and a national income $2\frac{1}{2}$ times as high as before the war.

When land prices have risen unduly, farmers will generally be better off in the long run to postpone farm purchases and use their incomes to retire debts, purchase savings bonds, and build up financial reserves to buy land later at safer prices or to replace worn-out equipment, for improvements, and better living levels.

(FARM INCOME (continued from page 2))

1/ National income measures the annual earnings of the labor and capital employed in the production of all goods and services. National income figures are obtained by adding together all wages and salaries, not income of farmers, and other proprietors, dividends, rents, royalties, and net profits of corporations.

2/ Gross farm income of farm operators includes cash receipts from the sale of farm products, the value of farm products consumed on the farm, and the rental value of farm homes.

3/ Net farm income is obtained by subtracting production expenses from the gross farm income. The expenses of production include: farm mortgage interest, cash wages paid to hired workers plus the value of other needs of hired labor such as food and housing furnished by farm operators, taxes on farm real estate and farm personal property (but not income taxes), purchased feed and livestock, fertilizer and lime, cost of operating motor vehicles, maintenance and depreciation on buildings, motor vehicles and machinery and equipment.

4/ The index numbers in this column serve as easily employed devices for measuring annual changes in the general price level of the articles purchased by farmers for family living. Prices in the pre-war years, 1937-41, were used as the base and equal to 100. Price fluctuations in the years shown are measured percentage-wise from the prices paid by farmers for family living in the 1937-41 period.

5/ Real income is computed by dividing the annual net income figures (column 3) by the level of the prices farmers must pay for living expenses (column 4). These real income figures are unofficial.

WHAT IT TAKES TO PRODUCE
100 BUSHELS OF SHELLED CORN
INCLUDING STALKS AND ROOTS

The following article, written by George H. Serviss, on what it takes to produce a 100-bushel crop of shelled corn (200 bushels of ears) is based on information secured by the American Plant Food Council from Purdue University.

"Water -- 4,300,000 to 5,500,000 pounds (19 to 24 inches of rain)
Oxygen -- 6,800 pounds from the air.
Carbon -- 5,200 pounds or as much as in 4 tons of coal -- comes from the air.
Nitrogen -- 160 pounds -- as much as contained in 16 tons of manure or 500 pounds of ammonium nitrate.
Potash -- About as much as in three 100 pound bags of 60% muriate.
Phosphoric Acid -- Four 100 pound bags of 20% superphosphate.
Sulphur -- 78 pounds of yellow sulphur.
Magnesium -- 50 pounds -- as much as in 178 pounds of epsom salts.
Calcium -- 50 pounds -- amount in 125 pounds of limestone.
Iron -- 2 pounds -- 2 pounds of nails.
Manganese -- 1.3 pounds or 1 pound of manganese sulphate.
Boron -- 0.06 pounds or 1/4 pound box of borax.
Chlorine -- Trace -- enough in the rainfall.
Iodine -- Trace -- 1 ounce bottle tincture of iodine.
Zinc -- Trace -- shell of one dry cell battery.
Copper -- Trace -- 25 feet of No. 9 copper wire.

"About 95 percent of all plant growth is due to carbon, oxygen, and hydrogen which come from the air and water. Nitrogen is supplied in manure, taken from the air by legumes or from fertilizer. The soil cannot be counted upon for any lasting reserve. Soils differ in their ability to supply potash; the remainder must come from manure or fertilizer. Some sulphur is supplied in the rainfall and a considerable amount of ordinary superphosphate.

"Some soils are high in magnesium and calcium; others need both. Lime is the most common source. Most soils contain enough iron, zinc, and manganese, but not all."

CATTLE FEEDING APPROACHES
RECORD HIGH

A record number of beefsteaks on the hoof is seen by the start of 1947.

The Department of Agriculture reports that stocker and feeder cattle have been moving into the Corn Belt in record numbers, and that cattle available for feeding by the end of this year are likely to be at a record high.

For 8 Corn Belt States, the in-shipments of stocker and feeder cattle during November were about 435,000, an increase of 8 percent over the previous record set in November last year.

Reports from States outside the Corn Belt indicate a considerable reduction in the number of cattle finished in feedlots but an increase in wheat pasture cattle.

* * *

---Because of extremely high milk production per cow, declines in milk production during each month of 1946 compared with the corresponding month of 1945 were much less, percentage-wise, than the decline in milk cow numbers. During November, milk production per cow set a new record for the month.

WORLD SUGAR CONSUMPTION Most of the countries of the world are on reduced sugar rations. Those most nearly approaching prewar consumption levels in 1946 are Czechoslovakia, Poland, Yugoslavia, Sweden, and the Netherlands, in that order. Among the farthest are the former Occupation Zones, Italy, Finland, French North Africa, and Spain. These areas all consumed less than half as much sugar in 1946 as before the war.

Here's the picture of "sugar eating" in various countries:

Per Capita Sugar Consumption (Raw Basis) of Various Countries -- prewar, and estimated for 1946.

Country	Pre-war Av. (lbs)	1946 Est. Av. (lbs.)	Percent 1946 is of Prewar
United States	103.3	78.1	75.6
United Kingdom	111.2	78.1	70.2
Canada	102.1	78.1	76.5
France	57.5	39.6	68.9
Netherlands	64.6	53.1	82.2
Belgium	69.0	47.2	68.4
Norway	75.4	45.8	60.7
Sweden	101.6	89.6	88.2
Germany (prewar boundaries)	56.4	16.8 (av. 4 occupation zones)	29.8
Russia	25.8	13.5 (may not be filled)	52.3
Poland	12.8	12.5 (self-sustain.)	97.7
Spain	24.5	11.3	46.1
Italy	19.0	7.9	41.6
Yugoslavia	12.6	11.3	89.7
Czechoslovakia	65.0	63.7 (exports sugar)	98.0
Denmark	122.3	84.0 " "	68.7
Greece	26.0	16.8	64.6
Finland	63.5	26.5	41.7
French North Africa	44.4	19.8	44.6

USDA FOOD DELIVERIES TOTAL Deliveries of farm products by the U.S.D.A. to cash-paying foreign claimants, UNRRA, and U.S. Government agencies totaled 962 million pounds in October. Deliveries in September totaled 1,268 million pounds.

Farm products delivered to foreign claimants (excluding UNRRA) totaled 410 million pounds in October. Deliveries by commodities, in pounds, were as follows: Grains and cereal products, 305 million; dairy products, 80 million; poultry products, 11 million; fats and oils, 8 million; livestock and meat products, 4 million; and fruits and vegetables, 2 million. Relatively small quantities of baled cotton and canned fish also were shipped.

Deliveries to UNRRA totaled 211 million pounds. Commodity totals, in pounds, were as follows: Grain and cereal products, 149 million; livestock and meat products, 42 million; special commodities, 9 million; dairy products, 6 million; fats and oils, 4 million; and fruit and vegetable products, 1 million.

Transfer to Government agencies and to Government-sponsored programs totaled 341 million pounds. Transfers of commodities, in pounds, included: Grain and cereal products, 330 million; cotton, 5 million; dairy products, 3 million; fruit and vegetable products, 2 million; and livestock and meat products, 1 million.

POTATO LOAN REPORT County offices are busy completing potato loan documents covering the regular potato loan program and loans on potatoes in temporary storage. For the period ending December 7, 1946, the following report was made by States in the Northeast Region:

REGULAR LOAN PROGRAM					
State	Loans Com- pleted	Cwt. of U.S. No.1's Orig. Under Loan	Cwt. of U.S. No.1, B's & 2's Orig. Under Loan	Amount Originally Loaned.	Amount Remaining Unpaid
Me.	652	3,756,186.5	239,748.9	\$4,046,838.65	\$4,035,511.97
N.H.	30	93,047.6	9,600.0	123,894.29	113,156.39
Vt.	36	36,402.0	3,714.0	48,992.98	8,532.10
Mass.	15	130,861.0	14,972.0	176,856.70	176,856.70
R.I.	27	220,883.0	20,789.0	297,022.90	297,022.90
Conn.	14	149,879.3	14,123.1	211,198.34	211,198.34
N.Y.	321	1,023,896.7	13,638.9	1,295,882.11	1,295,882.11
N.J.	11	16,191.0	690.0	21,393.30	21,393.30
Penna.	123	379,482.3	47,958.7	475,507.01	475,507.01
Total	1229	5,906,329.4	365,234.6	6,607,083.28	6,325,060.82

SPECIAL LOAN PROGRAM					
Me.	1246	2,876,216.2	191,648.2	\$2,042,640.29	\$2,038,160.34
N.H.	25	28,428.1	3,450.4	--	--
Mass.	61	107,296.0	12,546.0	94,965.40	949,965.40
R.I.	2	5,902.0	297.0	7,216.70	7,216.70
Conn.	118	52,482.9	4,446.8	45,944.50	0
N.Y.	280	340,478.9	57,770.6	271,041.39	270,971.71
Penna.	23	26,504.9	4,004.8	23,185.12	23,185.12
Total	1755	3,437,309.0	274,163.8	\$2,484,993.40	\$2,484,499.27

* * *

---November egg production amounted to 3,000 million eggs, a new record for the month, and 5 percent more than in November last year. A rate of lay 9 percent above the previous record of last year more than offset a 4-percent decrease in the number of layers.

* * *

---World production of soybeans is estimated at 534.3 million bushels, compared with 543.2 million in 1945, and 459.8 for the prewar average. This rise is due largely to increased production in the United States and Canada.

* * *

---Australia's exports of wheat, including flour, placed at 37 million bushels for the year ended June 30, 1946 -- among the smallest recorded. Wheat exports for the previous year were 59 million bushels.

* * *

(Agriculture in Action -- Issued weekly and distributed in Northeast to State PMA Committeemen, State Offices of PMA; Farmer Fieldmen, County Offices in Mass., Conn., Penna., N.J., and N.H.; County Committeemen in N.J., Penna., N.H., and R.I.)

Radio Transcription

A. W. Manchester, Director

Northeast Region, Field Service Branch

Production & Marketing Adm., USDA

December 19, 1946 - 6:15 a.m.

Radio Station WBZ - Boston, Mass.

Over the past ten years, the public interest in soil conservation has grown almost beyond belief. Nearly everybody is for conservation, and most people believe that it is a matter of public concern -- something that the public ought to do something about. A high percentage are aware that the future of the country is closely tied up with the future of its top soil. If that top soil is worn out and exhausted, food will be scarce and costly. The general standard of living will be dragged down. If the top soil is maintained in high fertility, one of the foundations of general wellbeing is assured.

Relatively few people probably realize that this is the season of the year that quite largely determines how much we shall go ahead or slip backward in our conservation work in the next twelve months. In November, December, and January, the conservation committeemen take their farm plan forms and go down the road and talk with each of their farmer neighbors. They make a record, after talking the problem over with the neighbor, of what the conservation needs of that particular farm are -- what needs to be done there in the next 12 months, and how much of it the neighbor thinks he can get done if he can get some help from the Conservation Program. On the basis of this report, the county committee decides how much assistance can be given the farmer in the year ahead.

Almost inevitably the process calls for some difficult decisions, for the conservation needs are two, three, four or more times as great as the amount of conservation work that there is money enough to give help with under the program. There is only so much money available in each county. Stretch it as far as the committeemen can, it won't go nearly around.

There is one principal way of stretching the money. It is to encourage the farmer to do all the conservation he possibly can without any assistance, and to concentrate assistance on getting those things done that he either hasn't money enough or isn't enough sold on to do without financial help.

The better the committeemen are, the better job they do of this. It's one of the tests of good committeemen. It's the way in which they buy every possible bit of conservation with the public money that's available. One of the basic problems of conservation program-making is that of eliminating the use of money for the more common soil-building practices as they become thoroughly established, or cutting down the share of the cost that is publicly borne as fast as it can be done without giving a serious setback to its use. There are so many urgent conservation needs in comparison with the funds that are available and are likely to be available that this is a first necessity.

In making plans, the committeeman and the farmer don't just look at the soil and say, "What does that soil need?" Their first question is, "What does the farmer plan to produce? What will this farm be turning out over the years?" Then, "How can this soil be improved so as to contribute most to the efficiency and economy with what that production is carried on?"

(continued next page)

That's why conservation on dairy farms, for instance, means building pastures that produce high-quality and abundant pasturage for six, seven, or eight months of the year depending on where the farm is -- pastures that start early in the spring and last late into the fall, without a midsummer slump. And it means the twin of good pasturage -- high grade hay.

Just putting lime on dairy farm soils doesn't amount to much in itself. It gives large returns only if it is the first step in a program that leads to high milk production the year around with relatively little grain, because hay and pasture are so plentiful and so good.

When the good committeeman and the dairy farmer fill out the farm plan for next year's Conservation Program, they are planning certain specific steps, but with this ultimate aim in view.

Most of the farmers of the country now take part in the Conservation Program. It not only builds up the basis for a stable and economical food supply, it is a powerful agency for the progress of our agriculture. How well it succeeds, however, depends primarily on how good a job is done when the individual community committeeman talks things over with his individual farm neighbor.

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Ad 4 Agr

United States Department of Agriculture
Production and Marketing Administration
Field Service Branch, Northeast Region
Washington 25, D. C.

December 26, 1946

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AGRICULTURE IN ACTION

U. S. DEPARTMENT OF AGRICULTURE

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Dear Committeemen:

The information included in this letter is to assist you in the administration of Production and Marketing Administration programs and provide understanding of related actions.

A. W. Manchester

A. W. Manchester
Director, Northeast Region

**TREMENDOUS 1947 WHEAT
CROP IN SIGHT**

A record-breaking winter wheat harvest of 947,000,000 bushels is shaping up for 1947. A harvest this size would exceed the 10-year average of 846,000,000 bushels for both spring and winter wheat.

If present prospects materialize and spring wheat production is normal, U. S. farmers will harvest their fourth successive billion-bushel wheat crop and far exceed the record harvest of 1,155,715,000 bushels for both spring and winter wheat in 1946.

The rosy wheat forecast came in the Department of Agriculture's first condition report on crops sown last fall for 1947 harvest. No bushel forecast was made for rye but the condition of the crop was reported as 92 percent -- 9 points above a year ago.

The main reason for the prospective big increase in winter wheat production is a boost of more than 4 million acres in seedings.

The Department said that some of the increase was on new broken grassland in Texas, New Mexico, and Kansas. The weather in most sections also was exceptionally favorable for large seedings.

**COUNTY AAA OFFICES NO LONGER
HANDLE BUILDING PRIORITIES**

With announcement of a new national housing program, County Agricultural Conservation (AAA) offices are no longer handling applications in connection with the veterans farm housing program and related farm

construction.

Priorities recommended by county committees and issued by PMA State Committees through December 23 will remain in effect, however.

Future applications will be handled by field offices of the Federal Housing Administration for dwelling construction and of Civilian Production Administration for non-dwelling construction.

**YOU ONLY TAKE OUT
WHAT YOU PUT IN**

To get the proper amount of human nutriment from milk, eggs, and meat, it is necessary to put the proper feed into farm animals so that they can manufacture it, Prof. H. H. Williams of

Cornell's Biochemistry Department told representatives of the feed industry at their annual conference in Syracuse recently, according to "G.L.F. Week."

Experimental work shows that the content of certain nutrient substances in milk, eggs, and meat depends largely on the presence of these same substances in proper quantity in the animals' feed.

ONLY 3 PERCENT OF BURLINGTON CHILDREN
FREE FROM MALNUTRITION DEFECTS,
VERMONT BIOCHEMIST FINDS

remaining third, one-half were receiving diets rated as good.

Approximately two-thirds of a group of 400 children who are undergoing an intensive study in Burlington schools are receiving diets rated as poor or inadequate. Of the

diets rated as fair and the other half diets

This is the finding of Dr. H. B. Pierce, biochemist, University of Vermont, and Chairman of the State Nutrition Committee.

In a letter to H. W. Soule, State PMA Director, Dr. Pierce summarizes some of his specific tests:

"Physical examinations: In December 1945 and January 1946, 908 school children, grades 3 to 8 inclusive, received physical examinations devised to detect evidence of malnutrition. Only 27 children in this group were found who showed no signs of nutritional defects!

"Blood tests for hemoglobin, serum protein, phosphatase, vitamin A, carotene and vitamin C revealed a high incidence of low values. Some of these figures were truly amazing data from one school, showing that 90% of the children had blood vitamin A and C levels below accepted standards for normal. Hemoglobin and serum proteins were practically normal.

"Last spring one group of children received a drink prepared from orange concentrate. Blood vitamin C levels were found to rise, in fact these levels were considerably better than those obtained this month with the same group not now receiving any orange juice supplement.

"One school had a school lunch program. Here with 84 children, 28 receiving and 56 not receiving school lunch, physical and chemical examinations revealed that the school lunch group were better off with regard to vitamin A, but that there was little difference as far as the vitamin B and vitamin C were concerned. This stresses the need of including more foods rich in the B vitamin and vitamin C in the school lunch. If a nutritionist were available, she could be of great assistance in checking menus for their content of protective foods.

"So far we have conducted studies on over 3,000 children in the Burlington and Bennington areas. All of our data indicate the need of an adequate school lunch program."

SERVICE

"Service is the rent we pay for our room on earth we have been too much inclined to let our thoughts rest upon what we judge to be our rights, without giving equal weight to the recognition of our duties.

There is no room in the modern world for easy indifference to the world's needs: we are all our 'brother's keeper.' Only by translating this truth into terms of daily life can we hope to establish true understanding between men and nations -- and make the world more worthy of all the sacrifice that twice in a generation has been spent to save it." -- Lord Halifax

Radio Transcription
A. W. Manchester, Director
Northeast Region, Field Service Branch
Production & Marketing Adm., U.S.D.A.
December 26, 1946 - 6:15 a.m.
Station WBZ - Boston, Mass.

We are ending a year of MOSTS for U. S. farms:

The most wheat ever, just when famine stalked the Earth.

The biggest corn crop, when feed shortages had grown desperate.

The most potatoes, the most of lots of other crops, the most for all crops combined.

The biggest total farm income, the biggest average farm income.

For the nation, the biggest national income, the greatest rate of production of civilian goods, the highest employment, the highest wages, the greatest profits of any peace year.

The war is over -- all but officially.

Most of the boys are home.

This Christmas clearly ought to be a time of peace -- peace of mind and of soul and a time of joy -- clear, undimmed joy.

But is it?

Is the merriment just a bit strained and feverish -- or am I just growing old?

The "peace on Earth" seems an uneasy peace -- both the peace between nations, between groups and classes, and peace of mind. It is a peace that is more like an armed truce -- each resting on his weapons, and stirring fitfully at every rustle.

Over the farms, as over business and jobs, hangs a brooding sense of instability -- a feeling that it won't last -- that danger lies ahead and just a little ahead.

It is clearly a time for a little quiet reflection by all of us.

What is it we want? What are the real values? How can we work for these real values, those that last -- instead of for the transitory and the tinsel.

That is the problem that faces the world and it reaches very deep. It calls for quiet thought just now. The world's answers do not lie with the world's show-offs.

For farmers, many forecasters are freely predicting some sort of a slump ahead with the insecurity and disaster that go with such slumps. Such forecasters believe that farm prices will drop badly in 1947, the year on whose threshold we stand.

(Continued next page)

Radio Transcription - 2

It is not the time to discuss that problem in detail here. We can do that as we move into the new year and make specific plans to deal with the issues that it will present.

But we do have to recognize it as one of the causes of the uneasiness that tinges the Christmas joy on the country's farms this year.

Some drop in farm prices -- some farm prices -- may be necessary and wise. That is a matter that can only be decided after careful study of what relative levels of prices of farm goods, industrial goods, services of teachers and professional people, wages and profits, are fair and can serve as the basis of economic peace, stability and prosperity.

Not that any particular price relationships can be enduring. They must constantly adjust to the advances in science and technology and the ebb and flow of change in nature and mankind.

But at any time there is a right relationship. Peace in human affairs is possible only if we are assured that the endeavor to reach that relationship will be the objective of our governments and courts of justice and of the understanding will of our people.

Farmers cannot trust to their own individual efforts to yield a stable future. Neither can they rely on opposing their pressure groups against others.

In a world of organized warfare there is no choice but to fight on the side of our own clan, but that is not the way of peace and progress.

We find them only as we substitute the court for the battle field.

We need farm organizations -- strong farm organizations. But they can lead to the lasting welfare of farmers only if their final objective is organized internal peace administered by the agencies of justice, aiming for the balanced, fair, forward progress of all our people.

Any other way leads to a world of nightmares, where we cry, "Peace, peace and there is no peace."

* * *

(Agriculture in Action -- Issued weekly and distributed in Northeast to State PMA Committeemen, State Offices of PMA; Farmer Fieldmen, County Offices in Mass., Conn., Penna., N. J., and N. H.; County Committeemen in N. J., Penna., N. H., and R. I.)